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RESEARCH ARTICLE

DOES SERVICE QUALITY OF CUSTOMER SUPPORT INFLUENCE CUSTOMER SATISFACTION AND WORD OF MOUTH?: A CASE STUDY AT PT AMADEUS INDONESIA.

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Abstract

In the current era of globalization, reliable information technology systems are indispensable in the business of flight. Passenger handling systems management requires accurate technology help to minimize the unsatisfactory services. Moreover, customer support is needed to deal with problems that arise. This study aims to determine the influence of service quality of customer support, customer satisfaction and word of mouth at PT Amadeus Indonesia. The object of research is Amadeus Travel Agents in the area of Jakarta, Surabaya and Medan. Sampling technique used is non probability sampling method. There are 100 respondents were given questionnaire. The data analysis used is Structural Equation Modeling (SEM) analysis with AMOS program to test the causality of three (3) research hypothesis. The results indicate that the variable of service quality of customer support at P.T. Amadeus has positive and significant influence on customer satisfaction. While customer satisfaction has negative significantly correlated with word of mouth. This result confirms that the service quality of customer support has no significant direct influence on word of mouth but it has a significant indirect influence through customer satisfaction as intervening variable.

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Background

The Increasing demand of service has lead service companies into tight competition. In such situation, service companies have to be able to find creative as well as interesting strategies to survive. One of which is by giving good service and qualities to their customers. Moreover, nowadays customers are also becoming more critical in comparing the services that they are going to use. It is in line with the statement from American Society for Quality Control that quality is characteristics of a product or service to fulfil certain needs.

The tighter competition in service industry has caused marketing strategy place consumer satisfaction as the main concern. It is common that people will choose a company that has good service with a make-sense cost. In this condition, service company must be able to create a strategy that can boost customer satisfaction. As a result, the company's mission, commercials, public relation release, and services shows its commitment to increase customer satisfaction (Santoso, 2011:58). For Day in Tse and Wilson (1988) customer satisfaction and unsatisfaction are cumtemers' responses toward evaluation of disconfirmation. This evaluation is in between what the customers expect and what the custemers get. Similarly, Santoso (2011: 59) and Kotler (2004:10) stated that customer satisfaction is a condition in which a customer feel that what they expect is equal to what they get.

Customer satisfaction is an action of customer to summarize a group of actions which are seen, felt, or related to certain products or service. A customer who feels satisfied shows an actoin that can be a signal that represent their feelings, such as smiling while seeing the products that they are going to use can be a signal of satisfaction. It means that consumer who feel satisfied with certain products will continue to buy the products or service from similar company. Furthermore, they can also do positive word of mouth (Wahyuningsih & Nurdin, 2010). The positive

word of mouth is an action that reflects customer satisfaction toward certain product or service since the products or services they use give them benefits.

In this globalization era, a reliable information technology system is really needed in airline business. A good management system of handling passangers is needed to avoid consumer dissatisfaction. Moreover, technology has important role in making all system accurate. One of technology implementation in airline business is the use of Global Distribution System (GDS). Actually, GDS has widely been used in tourism industry or airline industry. In airline industry, GDS can be used to show informations that are needed by customer, such as information about products, flight schedule, ticket price, and routes. It can be a good helper for costumer to decide what type of flight that they will use when they book a seat, check in, and arrange their time based on flight departure and arrival. In addition, GDS also gives information about VISA, weather, time, and exchange rate. It can also become distribution channel that gives facilities to pessanger as well as to expand airlines network. As a consequence, all airlines that are incorporated in GDS system are charged. The fee that they should pay depends on their participation and the number of transactions. That's why some GDS systems have various booking fee. Generally, GDS reaches international distance, so that any body can do transaction internationally. As an example, a person in Europe may buy a ticket of Indonesian domestic travel agent in a european travel agent. However, the regulation about ticket selling by travel agent in other countries should be considered.

GDS is simply a central of global marketing. Consumer may access their needs throuh a single website. The may find out a hotel to stay or a travel agent around the world. On the other hand, it becomes an advantage for the hotel or travel agent to be the members of GDS system because they may expand their network in a minimum cost.

GDS as a channel of distribution provides services to the customers such as hotel, airlines, car rental to travel agent. It can be said that travel agents are the end customer of GDS. Travel agents use GDS to get appropriate, accurate, and latest information. The online system of GDS gives benefits to customer to get all information at the time they need it. For example, customer may simply open their mobile phone to make reservation. It also gives advantages to travel agent in using effective and efficient as well as accurate ways to satisfy their customers.

GDS has a great role in developing tourism industry. Previously, travel agents should do everything manually. They must call the airlines office to book a seat. It even became more troublesome when they have to change the schedulle. Then, GDS, which is technology based, has changed everything become easier and simpler. Reservation, changing reservation, and finding flight schedulle can be done through GDS. It requires minimum cost compared to previous system of managing the tourism industry.

Today, Indonesia has 3 GDS. They are Abacus, Galileo, and Amadeus. Tourism industry in Indonesia started the era of technology when Abacus was used in the country in 1993. Then, many travel agents use Galileo to provide services for their customers. In 2003, Amadeus started to penetrate the market of tourism industry in Indonesia.

Related to previous explanation, the aims of this reasearch are as follow :-

1. To find out the influence of service quality of customer support on customer satisfaction at PT Amadeus Indonesia.
2. To find out the influence of service quality on word of mouth at PT. Amadeus Indonesia.
3. To find out the influence of customer satisfaction on word of mouth at PT. Amadeus Indonesia.

Literature Review

Service Quality

Lewis and Booms (1985) in Tjiptono (2008:85) states that service quality is a measurement of how the level of service meet the customer's expectation. Kun-Hsi (2012) said that effectiveness indicators, which are based on service quality, are important factors to measure customer expectation. The customer will perceive what they get from company and compared it to what they expect. Moreover, Pengfei et. al. (2014) considers service quality as determinant factor in customer satisfaction.

Customer Satisfaction

For Gerson (2004:3) customer satisfaction is customer perception that had fulfilled their expectation. Pengfei (2012) who investigated customer satisfaction in online shopping found that the dimension of ease of use and

reliability are significant predictors of customer satisfaction. The ease that increase customer satisfaction includes the process in online transaction, delivering products as promised, providing accurate information of the products, and strengthening the security of online transaction.

Word of mouth

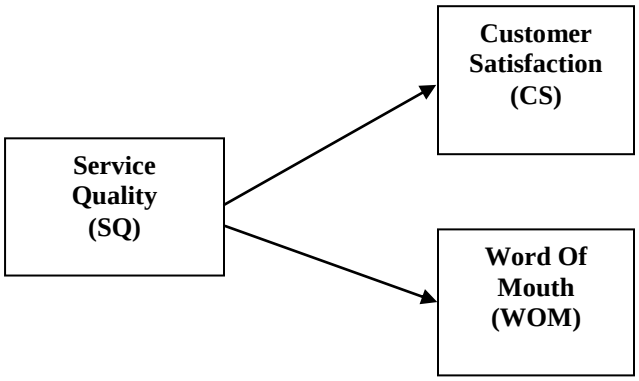
Word Of Mouth (WOM) is defined as oral, person to person communication involves a receiver and a communicator. The receiver perceives such communication as non-commercial, regarding a brand, product or service (Bolfing, 1989). Researches indicated that WOM is different from other information sources, such as advertisement in two areas: people usually think of WOM as more credible and trustworthy, compared to others; In addition, social networks usually accept WOM more willingly (Liu, 2006). In addition, Solomon (2010:442) underlined WOM as a process of passing information from person to person by oral communication about experience of using certain products or services. Bodo (2011) differenciates customers into two categories, that are satisfied and unsatisfied customers. In relation to WOM, he explains that it is vital for companies to maximize WOM among satisfied customers and to minimize WOM among unsatisfied customers. Kraus (2009) categorized Word Of Mouth (WOM) marketing under promotion, one of the elements in marketing mix. However, numerous researches have shown that WOM has a great deal of influence on sales (Liu, 2006). It can be inferred that the more conversation or comments there are about a product the more likely that someone will know about it.

Research method

Population and Sample

This research is conducted to all all user of Amadeus in 14 days. It can be said that this reaserch uses nonprobability sampling technique. Besides the subjects of sample are unknown, it also gives opportunity to all members to be the sample of this research. The data is gathered by using questionnaire. The data in this study is analyzed using Structural Equation Modeling (SEM).

Research Model



Data analysis

Assumption Test

1. **Normality Test**

   Normality test is using the criteria of critical ratio skewness value of ± 2.58 at level of significance of 0,01. It can be said that the data are normally distributed if it has critical ratio skewness value less than 2.58 (Ghozali 2013: 226).

2. **Outlier Test**

   Outlier is an observed condition of a data that has a uniq characteristic. It has a great difference with others. In this case, the score that appears is categorized as extreme, whether as a single variable, or combined variable (Hair et al, 1998 in Ghozali 2013). The detection of multivariate outliers is done through the observation on mahalanobis distance. The criteria used is Chi-Squares at degrees of freedom of 34, it is the numbers of indicator variables at the level of significance $p<0.001$. The score of Mahalonabis distance $\chi 2\ (34,\ 0.001)= 66.25$. It means that all cases that have mahalonobis distance bigger than 66.25 is multivariate outliers (Ghozali 2013: 227).

Confirmatory Factor Analysis (CFA)
It is designed to test multidimension of a theoretical construct. This analysis is also commonly called as validity test for a theoretical construct. The variabels that are used in a research are built based on theoretical concept. It also has some indicators, which should be categorized as valid. Hence, confirmatory analysis proves the validity of those indicators. In other words, confirmatory analysis is used to find out that those indicators are unidimentional measures of a construct (Ghozali 2013:123).

Reliability Test
Reliability is an internal consistent measure of indicators of a variable, which shows the degree of the indicators indicate the variables that commonly built. There are two ways to calculate it, that are construct reliability and variance extracted. The minimum cut-off value of construct reliability is 0.7 and 0.5 for variance extracted (Ghozali 2011: 233).

Goodness of Fit Test
This test is used to prove that the reaserch model meet the criteria. Some suitability index and cut-off values that are needed to test the model are shown in the following table:

Table 3.5
goodness of fit of the model Index

No	Goodness of fit index	Cut-off Value
1	X^2- Chi Square	Expected small
2	Significance Probability	≥ 0.05
3	RMSEA	≤ 0.08
4	GFI	≥ 0.90
5	AGFI	≥ 0.90
6	CMIN/DF	≤ 2.00
7	TLI	≥ 0.95
8	CFI	≥ 0.95

Source: Imam Ghozali (2011)

Model Interpretation and Modification
When the model is accepted, researcher may do model modification to revise theoretical explanation or goodness of fit. Modification from the first model has to be done after considering some important factors. A modified model should be cross-validated first (estimated using separated data) before it is used.

Model measurement can be done by using modification indices. The score of modification indices is equal to the decrease of Chi-squares if the coeficient is estimated. The score which is ≥ 3.48 shows that there are significant decrease of Chi-squares.

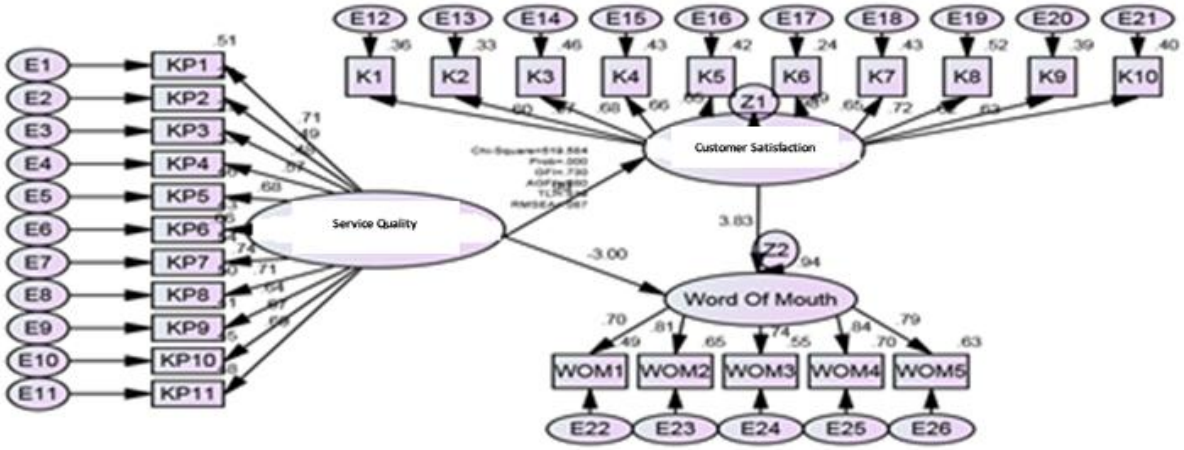
Hypotesis Testing
Hypotesis testing is conducted after goodness of fit test. It is done to investigate the relationship between dependent and independent variable. It must be formulated since it is the most important part of regression analysis. Hypotesis are accepted if it has the critical ratio > 2.58 in the level of significance of 0.05. This test is proceed using Amos version 21.0.

Result

Test of Assumption

1. **Normalty Test**
   All indicators are distributed normally because the score in the coloumn of critical ratio c.r skewness within the range of $\pm$ 2.58at the level of significance of 1%.
2. **Outlier Multivariate Evaluation**
   The criteria that is used is chi-square score at the level of freedom of 26, that is the number of indicator variables at the identification level of 0.01 or x2 (26, 0.01) = 38.885.

Confirmatory test of Service Quality, Customer Satisfaction, and Word of Mouth using Confirmatory Factor Analysis (Full Model)



The overall structural equation model has met all fit for almost all scores meet the minimum requirements of the index. GFI and AGFI index show marginal level model. The confirmatory test on the variables of service quality, customer satisfaction, and word of mouth shows that all construction indicators has probability score of $p < 0.05$. It also meet convergent score with the loading factor < 0.50. It means that all full model diagram data all valid. Moreover, it has good convergence.

The result of CFA test is shown on the table of Regression weight and standardization weight as follow:-

			Estimate	S.E.	C.R.	P	Label
K	<---	KP	1.018	0.182	5.603	***	par_24
WOM	<---	KP	-4.428	10.298	-0.430	0.667	par_25
WOM	<---	K	5.498	10,109	0.544	0.587	par_26

Reliability Test

The Construct Reliability Score (CR) of Service quality variable is 0.833, Customer satisfaction is 0.866, and word of mouth is 0.882. It can be said that all variables have normal reliability, above construct reliability cut off (0.7).

Goodness of Fit Test:-

X^2-Chi Square	Diharapkan kecil	519.584	Not Fit
Significance Probability	≥0,05	0.000	Not Fit
RMSEA	≤0.08	0.08	Good
GFI	≥0.90	0.730	Not Fit
AGFI	≥0.90	0.680	Not Fit
CMIN/DF	≤2.00	1.755	Good
TLI	≥0.95	0.819	Good
CFI	≥0.95	0.836	Good

Hypotesis Test

a. Result of Estimated Calculation

The scores of CR that do not meet the requirement (< 2.58) at the level of significance 0.01 are found in the following correlations.

i. Service Quality ⟶ Word Of Mouth (C.R = - 0.430 P = 0.667)

ii. Customer Satisfaction ⟶ Word Of Mouth (C.R = 0.544 P = 0.587)

It causes the causality relationship of those variables are not accepted. Whereas, the causality relationship of Service Quality and Customer Satisfaction is accepted for its CR score > 2.58 at the level of significance p=0.01.

b. Structural Equation Model

The result of causality relationship (β) of variable and error (z) that are used as constanta in the reasearch structural equation can be seen in the following table.

Variable Causality Test

Variabel	Estimate
Z_1	0.42
Z_2	3.83

Source : Primary data (2014)

By considering the scores of (β) and (z), the formula of equations can be stated as:

$Y = 1.018X + 0.42$

$Z = 5.498X + (-4.428)Y – 3.83$

c. The Influence of Service Quality on Customer Satisfaction

Reaserch Hypothesis (H1) : Service Quality does not influence Customer Satisfaction. The result of the research shows that CR score is 5.603 > 2.58 at the level of significance p value = 0.01 , 0.05. It means that service quality influences customer satisfaction.

d. The influence of Service Quality on Word of Mouth

Reaserch Hypothesis Hipotesis (H2) : Service Quality does not influence Word of Mouth. The result of the research shows that CR score is -0.430 , 2.58 at the level of significance p value 0.667 > 0.05. It can be said that Service quality does not influence word of mouth.

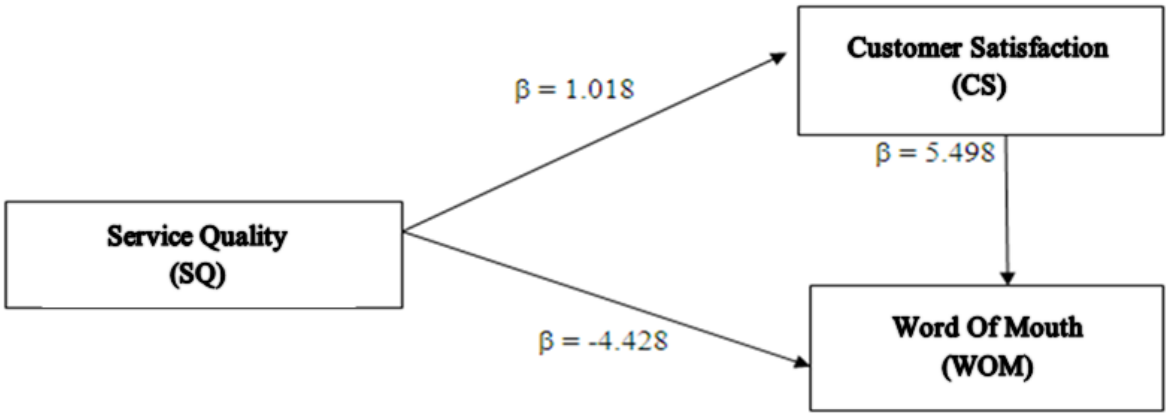
e. The Influence of Customer Satisfaction on Word of Mouth

Reasearch Hypothesis (H3): Customer satisfaction does not influence Word of Mouth. The result of the study shows that CR score is 0.544 < 2.58 at the level of significanve p value of 0.587 > 0.05. It can be said that customer satisfaction does not influence word of mouth.

f. The Influence of Service Quality on Word of Mouth Through Customer Satisfaction as Intervening Variable (H4)

Since the structural equation model used in this study is categorized as mediating model, it is important to know the influence of service quality on word of mouth through customer satisfaction as intervening variable. The calculation of direct or indirect influence obtained by comparing the value of β directly (service quality to word of mouth) and through intervening (service quality – customer satisfaction – word of mouth). The result shows that customer satisfaction gives contribution as intervening variable.

The Diagram of Direct and Indirect Influence:-



Conclusion, limitation, and Recommendation

Conclusion

From the analysis used in this study, it can be concluded that: (1). Service quality of customer support has positive significant influence on customer satisfaction. The most influential construct variable of service quality is KP7, which is responsiveness. The respondents of this study consider that PT Amadeus has provided maximum custommer support that really help them in solving their problems.(2) Service quality has negative direct influence on word of mouth. However, it has positive indirect influence through customer satisfaction. (3) Customer satisfaction does not have positive signicant influence on word of mouth. It shows that the travel agents that are satisfied with the company's service may not communicate their experience orally. They may not tell other people that the service given by PT Amadeus is satisfying.

Limitation

There two limitations of this study. First, the respondents used in this study come from three areas in Indonesia, that are Jakarta, Surabaya, and Medan. The three different areas had caused the limitation in distributing questionnaires. As a consequence, it may cause on the irrepresentativeness of the result of this study. Second, The questions in the questionnaire used in this study is general and not specific.

Recommendation

Due to the result of this study, there some matters that can be recommended for further study: (1) The number of the respondents can be added to get various sample of the research. (2) Since there are still marginal models that do not meet the goodness of fit criteria, furher reaserchs need to add the variables as well as modified structural model. (3) It is suggested that the next research make more specific question in the questionnaire.

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